

2007 DRAFTING REQUEST

Senate Amendment (SA-SB40)

Received: **06/09/2007**

Received By: **jkreye**

Wanted: **Today**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Olin (RR)**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Olin (RR) -

Topic:

Repeal sunset of gross revenues tax rate on wholesale electricity sales

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 06/09/2007 jkreye 06/11/2007	wjackson 06/09/2007 jdye 06/11/2007	jfrantze 06/09/2007	_____	chanaman 06/10/2007		
/2			jfrantze 06/11/2007	_____	lparisi 06/11/2007		

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126/11 jld

Sub
6/11
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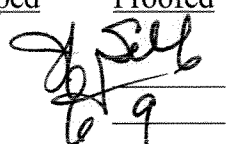
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/1	jkreye	1wly6/8					

FE Sent For:

<END>

GENERAL FUND TAXES -- MISCELLANEOUS TAXES

Repeal Sunset of Gross Revenues Tax Rate on Wholesale Electricity Sales

Motion 372 Rick

Motion:

Move to repeal current law provisions that sunset the 1.59% tax rate on revenues from the sale of electricity for resale and extend the 1.59% tax rate indefinitely under the state's gross revenues taxes on light, heat, and power companies and electric cooperatives.

Note:

Under current law, light, heat, and power companies and electric cooperatives are subject to a state license fee, in lieu of local property taxes, imposed at a rate of 3.19% on revenues from the sale of electricity. However, as a result of 2001 Wisconsin Act 16, gross revenues from the sale of electricity for resale that occur from January 1, 2004, through December 31, 2009, are taxed at a rate of 1.59%. This coincides with the state license fees assessed between May 1, 2005, and May 1, 2010. Beginning with the 2011 license fee, imposed on revenues received in 2010, revenues from the sale of electricity for resale will be taxed at a rate of 3.19%. This motion repeals the sunset provisions and retains the 1.59% rate imposed on revenues from the sale of electricity for resale. The motion has no fiscal effect in the 2007-09 biennium because it would first affect license fee payments in May, 2010. However, state license fees would be reduced by an estimated \$18 million annually, including \$27 million in the 2009-11 biennium. These amounts do not include any revenue reduction related to We Energies' sale of the Point Beach Nuclear Plant to Florida Power and Light, currently under consideration by the Public Service Commission.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0300/1

JK: /.....

WLJ

Please fix request sheet

LFB:.....Olin(FA) - Repeal sunset of gross revenues tax rate on wholesale electricity sales

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2007 SENATE BILL 40

in 69-07

1 At the locations indicated, amend the bill as follows:

2 ↓ **1.** Page 1067, line 2: after that line insert:

3 **"SECTION 2161m.** 76.29 (1) (f) of the statutes is amended to read:

4 76.29 (1) (f) "Tax period" means each calendar year or portion of a calendar year
5 ~~from January 1, 2004, to December 31, 2009.~~

History: 2001 a. 16.

6 **SECTION 2161n.** 76.29 (2) of the statutes is amended to read:

7 76.29 (2) IMPOSITION. There is imposed on every light, heat, and power company
8 and electric cooperative that owns an electric utility plant, an annual license fee to
9 be assessed by the department on or before May 1, 2005, and every May 1 thereafter,
10 ~~ending with the assessment on May 1, 2010,~~ measured by the gross revenues of the
11 preceding tax period in an amount equal to the apportionment factor multiplied by

1 gross revenues multiplied by 1.59%. The fee shall become delinquent if not paid
2 when due and when delinquent shall be subject to interest at the rate of 1.5% per
3 month until paid. Gross revenues earned by a light, heat, and power company after
4 December 31, 2009, are subject to the license fee imposed under s. 76.28 (2). Gross
5 revenues earned by an electric cooperative after December 31, 2009, are subject to
6 the license fee imposed under s. 76.48 (1r)."

History: 2001 a. 16.

7 (END)

Kreye, Joseph

From: Olin, Rick
Sent: Monday, June 11, 2007 3:11 PM
To: Kreye, Joseph
Cc: Reinhardt, Rob
Subject: FW: LRB Draft: 07b0300/1 Repeal sunset of gross revenues tax rate on wholesale electricity sales

Attachments: 07b0300/1

Hi Joe:

I think we need a redraft on this one. The sentence on page 2, lines 3 and 4, should be stricken. The following sentence on lines 4 through 7 should remain stricken. Please cc Rob, as opposed to Fred, on this draft. Let me know if you have any questions. Thanks,

Rick

From: Frantzen, Jean
Sent: Saturday, June 09, 2007 7:16 PM
To: Olin, Rick
Cc: Ammerman, Fred; Hanaman, Cathlene; Holten, Vicki
Subject: LRB Draft: 07b0300/1 Repeal sunset of gross revenues tax rate on wholesale electricity sales

Following is the PDF version of draft 07b0300/1.



07b03001.pdf (12 KB)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb03001

JK:wlj:jf

LPS - request
sheet fixed

(RR)

Amended

LFB:.....Olin (PA) - Repeal sunset of gross revenues tax rate on wholesale electricity sales

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TO 2007 SENATE BILL 40

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5 ~~revenues earned by an electric cooperative after December 31, 2009, are subject to~~
6 ~~the license fee imposed under s. 76.48 (1r)."~~

7 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0300/2
JK:wlj:jf

LFB:.....Olin (RR) – Repeal sunset of gross revenues tax rate on wholesale electricity sales

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

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